

# VIRGINIA RACING COMMISSION 2017 ANNUAL REPORT



Dee Leftwich Photo

# Virginia Racing Commission

2017

## COMMISSIONERS

D.G. Van Clief, Jr.  
Chairman  
Charlottesville

Stuart Siegel  
Richmond

I. Clinton Miller  
Woodstock

Charles Steger, Ph.D.  
Vice Chairman  
Blacksburg

J. Sargeant Reynolds, Jr.  
Richmond

## STAFF

David S. Lermond, Jr. - Executive Secretary

Rhonda F. Davis - Pari-Mutuel Wagering and Licensing Coordinator

Kimberly C. Mackey - Business Manager

C. Richard Harden, DVM - Equine Medical Director

Joseph M. Roney - Enforcement Administrator



# COMMONWEALTH of VIRGINIA

## *Virginia Racing Commission*

D.G. Van Clief, Jr., Chairman  
I. Clinton Miller  
Dr. Charles Steger  
J. Sargeant Reynolds, Jr.  
Stuart C. Siegel

David S. Lermond, Jr.  
Executive Secretary

February 9, 2017

TO: The Honorable Ralph Northam, Governor of Virginia  
Members of the General Assembly

In accordance with Code of Virginia Title 29, Chapter 59.1-369 (9) as related to horse racing with pari-mutuel wagering, I am pleased to present the 2017 Annual Report of the Virginia Racing Commission.

This was a year of transition and growth for horse racing in the Commonwealth. The Virginia Racing Commission has worked diligently with the Virginia Horsemen's Benevolent and Protective Association, the Virginia Harness Horse Association, and the Virginia Equine Alliance to assist each stakeholder by encouraging full and unwavering participation in Virginia. Collectively we have accomplished a great deal, but much work remains to be done. We intend to collaborate and work with our partners to establish the Virginia Equine Industry to a position of national prominence.

Funding for the Virginia Racing Commission comes solely from revenue generated by a small percentage of all pari-mutuel wagers made in the Commonwealth. This revenue enables the agency to meet its financial obligations associated with the regulation of horse racing with pari-mutuel wagering.

The Racing Commission remains steadfast in protecting the integrity of racing for those who participate and the loyal customers who enjoy it, in addition to the health and welfare of the equine athletes. As always, we rely on the continued support of the Virginia Equine Industry from you and your administration, as well as from the General Assembly.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "DL", written over a horizontal line.

David S. Lermond, Jr.  
Executive Secretary

## THE RACING COMMISSION

The Racing Act, Title 59, Chapter 29, effective as of January 1, 1989, vests control of all horse racing with pari-mutuel wagering conducted in the Commonwealth to the Virginia Racing Commission (VRC).

The Commission:

- Prescribes regulations and conditions under which racing and wagering is conducted;
- Maintains horse racing in the Commonwealth of the highest quality free of corrupt, incompetent, dishonest or unprincipled practices, and;
- Maintains in such racing complete honesty and integrity.

Horse racing offering pari-mutuel wagering is permitted in the Commonwealth with the intention of “promotion, sustenance, and growth of the native industry, in a manner consistent with the health, safety, and welfare of the people”.



Test Barn Technician, Cira Giunti,  
collects samples from selected horses.



Test Barn Supervisor, Myra Cooke,  
prepares samples for testing laboratory.

The closure of Colonial Downs in 2014 adversely affected the Thoroughbred and Standardbred racing and breeding industries in the Commonwealth. However, we are pleased to report that through the excellent efforts of the Virginia General Assembly, the Governor's Office, the Virginia Equine Alliance, the Virginia Horsemen's Benevolent and Protective Association, and the Virginia Harness Horse Association, horse racing with pari-mutuel wagering has been resurrected.

Live racing was conducted at Great Meadow Racecourse in Fauquier County for the Virginia Gold Cup Races which celebrated its 92nd anniversary on May 6, 2017. An enthusiastic crowd of approximately 60,000 people gathered to watch and wager on a combination of quality steeplechase and flat racing. In addition, a crowd of approximately 35,000 enjoyed the International Gold Cup Races on October 28, 2017.

Harness racing presented by the Virginia Equine Alliance (VEA) was conducted for a second straight year at Shenandoah Downs in Woodstock, Virginia. This Shenandoah County facility formally known as Woodstock Racetrack has conducted harness racing without pari-mutuel wagering for many years in conjunction with the Shenandoah County Fair. In 2016, the VEA invested \$750,000 in track renovations producing a quality racing surface, which was very well received by the horsemen. In 2017, the VEA made improvements to the facility in the form of a new bathhouse, which includes separate changing areas for men and women along with more temporary stalls allowing more horses to be stabled on the grounds. The horsemen that participated in the races were very appreciative of these improvements. There were 10 days of live harness racing with pari-mutuel wagering conducted at Shenandoah Downs distributed over five weekends that were enjoyed by the many racing fans in attendance.

The VEA also opened its second Satellite Wagering Facility (SWF) in Richmond on January 16, 2017. In addition, a third SWF opened on November 18, 2017 in Chesapeake and has proven to be the most popular of the three locations based on attendance and the amount wagered. The operation of SWFs allows the VEA to generate additional money for purses and the operating expenses associated with live racing. The VEA hopes to open three more SWFs in 2018 in an effort to provide a greater source of revenue generation for the future.

Advanced Deposit Wagering (ADW), offered through the internet and telephone, continues to be a major source of the pari-mutuel wagering in Virginia. The four Advanced Deposit Wagering providers licensed to operate in Virginia are: "TwinSpires" operated by Churchill Downs Incorporated, "Xpressbet" operated by the Stronach Group, "TVG" operated by Betfair, Inc., and NYRABets owned and operated by the New York Racing Association.

Virginia Racing Commission's revenue is generated solely from a percentage of all pari-mutuel wagers to meet the agency's financial obligations. In 2015, a reduction in revenue from the elimination of live racing at Colonial Downs and the closure of its satellite wagering facilities had become an encumbrance to the generation of operating funds for the Commission. By an act of the Virginia General Assembly, the license fees paid to the Commission from ADW were increased, allowing the Commission to maintain financial solvency and continue good governance of all matters related to horse racing with pari-mutuel wagering.

## Commission Activities

### Taxable Wagering Recapitulation

Year	Wagering at Racetrack and at Satellite Facilities	Account Wagering	Total Taxable Wagering
1996	\$36,952,607.00	\$0.00	\$36,952,607.00
1997	\$95,094,161.00	\$0.00	\$95,094,161.00
1998	\$120,717,190.00	\$0.00	\$120,717,190.00
1999	\$121,324,249.00	\$0.00	\$121,324,249.00
2000	\$121,754,800.00	\$0.00	\$121,754,800.00
2001	\$123,879,396.00	\$0.00	\$123,879,396.00
2002	\$124,064,569.00	\$0.00	\$124,064,569.00
2003	\$130,382,875.00	\$0.00	\$130,382,875.00
2004	\$145,394,480.00	\$1,287,541.00	\$146,682,021.00
2005	\$151,758,202.00	\$12,691,398.00	\$164,449,600.00
2006	\$164,208,077.00	\$28,300,972.00	\$192,509,049.00
2007	\$167,684,686.00	\$33,206,726.00	\$200,891,412.00
2008	\$149,629,200.00	\$47,303,439.00	\$196,932,639.00
2009	\$122,461,456.00	\$49,850,493.00	\$172,311,949.00
2010	\$105,505,800.00	\$53,392,088.00	\$158,897,888.00
2011	\$97,737,892.75	\$62,646,843.85	\$160,384,736.60
2012	\$91,927,194.10	\$69,233,852.85	\$161,161,046.95
2013	\$86,220,534.60	\$73,205,095.00	\$159,425,629.60
2014	\$21,198,320.50	\$93,858,388.30	\$115,056,708.80
2015	\$291,173.50	\$79,478,622.50	\$79,769,796.00
2016	\$2,726,163.80	\$76,725,493.00	\$79,451,656.80
2017	\$20,803,619.10	\$81,076,535.12	\$101,880,154.22
<b>Totals</b>	<b>\$2,201,716,646.35</b>	<b>\$762,257,487.62</b>	<b>\$2,963,974,133.97</b>



Executive Secretary, David Lermond,  
prepares to inspect the barn area at  
Shenandoah Downs.

## Live Thoroughbred Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1997	\$183,594.00	\$28,182,006.00	\$939,400.00	3620	\$50.72
1998	\$141,154.00	\$21,293,467.00	\$881,473.00	2263	\$62.37
1999	\$107,881.00	\$23,420,243.00	\$975,854.00	1628	\$66.27
2000	\$90,589.00	\$27,923,752.00	\$872,617.00	1247	\$72.65
2001	\$117,818.00	\$27,579,707.00	\$1,103,188.00	1940	\$60.73
2002	\$140,067.00	\$31,039,485.00	\$1,193,826.00	2202	\$63.61
2003	\$140,305.00	\$36,090,262.00	\$1,203,009.00	2193	\$63.98
2004	\$138,236.00	\$36,205,494.00	\$1,064,867.00	2155	\$64.15
2005	\$124,122.00	\$44,710,190.00	\$1,117,755.00	2028	\$61.20
2006	\$113,438.00	\$51,587,415.00	\$1,258,230.00	1804	\$62.88
2007	\$164,557.00	\$50,507,580.00	\$1,262,689.00	1996	\$82.44
2008	\$126,195.00	\$50,343,446.00	\$1,118,743.00	1668	\$75.66
2009	\$128,093.00	\$31,241,633.00	\$781,041.00	1712	\$74.82
2010	\$131,908.00	\$29,287,463.00	\$732,187.00	1499	\$88.00
2011	\$127,542.00	\$27,041,285.00	\$845,040.00	1864	\$68.42
2012	\$116,525.00	\$18,733,192.00	\$604,297.00	2008	\$58.03
2013	\$118,086.00	\$14,343,174.00	\$597,632.00	1942	\$60.81
2014	\$0.00	\$0.00	\$0.00	0	N/A
2015	\$13,130.00	\$13,130.00	\$13,130.00	3478	\$3.78
2016	\$0.00	\$0.00	\$0.00	0	N/A
2017	\$0.00	\$0.00	\$0.00	0	N/A



Kentucky Derby Party at Ponies & Pints Satellite Wagering Facility – Shockoe Bottom, VA

## Live Harness Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1998	\$56,661.00	\$7,260,770.00	\$172,875.00	1379	\$41.09
1999	\$41,319.00	\$5,795,265.00	\$193,175.00	909	\$45.46
2000	\$19,270.00	\$5,903,010.00	\$147,575.00	258	\$74.69
2001	\$30,912.00	\$2,459,010.00	\$163,934.00	486	\$63.60
2002	\$30,860.00	\$3,716,853.00	\$154,869.00	478	\$64.56
2003	\$34,585.00	\$4,148,072.00	\$148,145.00	580	\$59.63
2004	\$40,361.00	\$5,815,294.00	\$181,728.00	645	\$62.58
2005	\$36,959.00	\$6,217,238.00	\$172,701.00	620	\$59.61
2006	\$20,498.00	\$6,562,653.00	\$182,296.00	312	\$65.70
2007	\$43,183.00	\$5,726,362.00	\$178,949.00	613	\$70.45
2008	\$35,945.00	\$5,320,909.00	\$156,497.00	509	\$70.62
2009	\$27,552.00	\$3,885,199.00	\$107,922.00	353	\$78.05
2010	\$40,575.00	\$2,748,428.00	\$98,194.00	511	\$79.40
2011	\$33,198.00	\$3,125,901.00	\$104,197.00	431	\$77.03
2012	\$22,856.00	\$1,993,949.00	\$83,081.00	495	\$46.17
2013	\$20,503.00	\$2,425,357.00	\$101,057.00	376	\$54.53
2014	\$14,812.00	\$1,723,748.00	\$71,823.00	265	\$55.89
2015	\$7,953.00	\$31,811.00	\$7,953.00	557	\$14.28
2016	\$10,553.70	\$105,537.00	\$10,553.70	299	\$35.30
2017	\$12,499.30	\$124,993.00	\$12,499.30	324	\$38.58



Harness Racing at Shenandoah Downs – Woodstock, VA



## Live Steeplechase Racing Statistics

<b>Year</b>	<b>Total Handle</b>	<b>Daily Average On-Track Handle</b>	<b>Daily Average Attendance</b>
2013	\$119,956.00	\$59,978.00	43,500
2014	\$240,302.00	\$80,100.67	34,400
2015	\$222,682.00	\$111,341.00	50,000
2016	\$241,859.50	\$120,929.75	50,000
2017	\$179,930.50	\$89,965.25	47,500



Horses competing in the Steeplethon Stakes at Great Meadow Race Course – The Plains, VA

## The Breeders Fund

This fund establishes awards and incentive programs to foster the horse breeding industry in Virginia. Funding for these programs is derived from a one percent deduction of all wagers made in the Commonwealth. Since 1996, a grand total of \$27,854,026 has been contributed to the fund. This fund is managed by the collaborative efforts of the Virginia Thoroughbred Association and the Virginia Harness Horse Association with oversight from the Racing Commission staff.

### Breeders Fund Contributions

Year	Thoroughbred Contributions	Standardbred Contributions	Total Contributions
1996	\$263,517.00	\$105,288.00	\$368,805.00
1997	\$755,900.00	\$195,041.00	\$950,941.00
1998	\$917,484.00	\$289,688.00	\$1,207,172.00
1999	\$915,431.00	\$297,811.00	\$1,213,242.00
2000	\$942,714.00	\$274,834.00	\$1,217,548.00
2001	\$967,123.00	\$271,671.00	\$1,238,794.00
2002	\$970,555.00	\$270,091.00	\$1,240,646.00
2003	\$1,035,181.00	\$268,647.00	\$1,303,828.00
2004	\$1,136,789.00	\$317,156.00	\$1,453,945.00
2005	\$1,176,374.00	\$341,208.00	\$1,517,582.00
2006	\$1,285,476.00	\$356,604.00	\$1,642,080.00
2007	\$1,318,153.00	\$358,693.00	\$1,676,846.00
2008	\$1,167,875.00	\$328,417.00	\$1,496,292.00
2009	\$960,763.00	\$263,852.00	\$1,224,615.00
2010	\$1,266,614.00	\$287,607.00	\$1,554,221.00
2011	\$1,301,040.00	\$286,961.00	\$1,588,001.00
2012	\$1,338,896.00	\$276,548.00	\$1,615,444.00
2013	\$1,325,659.00	\$262,990.00	\$1,588,649.00
2014	\$854,434.00	\$287,360.00	\$1,141,794.00
2015	\$651,792.00	\$118,890.00	\$770,682.00
2016	\$729,940.00	\$96,759.00	\$826,699.00
2017	\$875,229.00	\$140,971.00	\$1,016,200.00
<b>Totals</b>	<b>\$22,156,939.00</b>	<b>\$5,697,087.00</b>	<b>\$27,854,026.00</b>

## Tax Revenue to Localities

Year	New Kent	Chesapeake	Henrico	Richmond	Hampton	Brunswick	Vinton	Martinsville	Scott	Fauquier	Woodstock	Total
1996	\$157,871.00	\$144,304.00	\$6,783.00	\$6,783.00								\$315,741.00
1997	\$408,498.00	\$159,665.00	\$113,726.00	\$113,726.00	\$1,430.00	\$855.00						\$797,900.00
1998	\$520,316.00	\$128,530.00	\$107,693.00	\$107,693.00	\$101,062.00	\$43,538.00						\$1,008,832.00
1999	\$524,049.00	\$132,641.00	\$108,839.00	\$108,839.00	\$101,396.00	\$46,906.00						\$1,022,670.00
2000	\$532,156.00	\$129,419.00	\$104,967.00	\$104,967.00	\$108,412.00	\$49,836.00						\$1,029,757.00
2001	\$539,392.00	\$131,455.00	\$107,885.00	\$107,885.00	\$115,242.00	\$51,140.00						\$1,052,999.00
2002	\$544,937.00	\$136,127.00	\$107,043.00	\$107,043.00	\$110,778.00	\$50,791.00						\$1,056,719.00
2003	\$574,992.00	\$145,928.00	\$103,758.00	\$112,388.00	\$113,880.00	\$59,092.00						\$1,110,038.00
2004	\$645,979.00	\$146,406.00	\$89,652.00	\$167,027.00	\$125,476.00	\$59,268.00	\$9,817.00					\$1,243,625.00
2005	\$676,257.00	\$146,065.00	\$84,164.00	\$165,595.00	\$119,218.00	\$52,244.00	\$44,660.00	\$14,615.00				\$1,302,818.00
2006	\$727,828.00	\$171,176.00	\$70,299.00	\$175,246.00	\$114,814.00	\$41,761.00	\$44,349.00	\$43,288.00	\$26,478.00			\$1,415,239.00
2007	\$743,077.00	\$172,558.00	\$79,755.00	\$165,331.00	\$110,160.00	\$45,105.00	\$46,583.00	\$51,189.00	\$29,266.00			\$1,443,024.00
2008	\$656,347.00	\$160,286.00	\$71,940.00	\$148,229.00	\$96,737.00	\$40,619.00	\$35,164.00	\$41,901.00	\$32,365.00			\$1,283,588.00
2009	\$537,046.00	\$121,016.00	\$55,955.00	\$120,425.00	\$88,982.00	\$30,613.00	\$32,241.00	\$37,024.00	\$24,824.00			\$1,048,126.00
2010	\$463,010.00	\$102,607.00	\$57,802.00	\$100,312.00	\$77,853.00	\$29,467.00	\$25,096.00	\$31,866.00	\$17,070.00			\$905,083.00
2011	\$436,914.00	\$94,877.00	\$57,104.00	\$86,180.00	\$72,505.00	\$25,339.00	\$24,079.00	\$32,532.00	\$16,435.00			\$845,965.00
2012	\$409,436.00	\$88,681.00	\$75,208.00	\$69,123.00	\$61,255.00	\$23,622.00	\$22,076.00	\$31,618.00	\$15,602.00			\$796,621.00
2013	\$384,745.00	\$91,428.00	\$72,231.00	\$58,969.00	\$59,531.00	\$21,880.00	\$15,642.00	\$31,733.00	\$15,062.00			\$751,221.00
2014	\$95,193.00	\$29,432.00	\$21,429.00	\$18,738.00	\$17,126.00	\$1,657.00	\$1,069.00	\$2,536.00	\$1,331.00			\$188,511.00
2015	\$66,269.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$853.00	\$109.00	\$67,231.00
2016	\$268,539.00	\$0.00	\$9,515.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$767.00	\$382.00	\$279,203.00
2017	\$283,768.00	\$6,093.00	\$49,582.00	\$36,041.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$571.00	\$451.00	\$376,506.00
<b>Totals</b>	<b>\$10,196,619.00</b>	<b>\$2,438,694.00</b>	<b>\$1,555,330.00</b>	<b>\$2,080,540.00</b>	<b>\$1,595,857.00</b>	<b>\$673,733.00</b>	<b>\$300,776.00</b>	<b>\$318,302.00</b>	<b>\$178,433.00</b>	<b>\$2,191.00</b>	<b>\$942.00</b>	<b>\$19,341,417.00</b>